

## Message Text

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PAGE 01 STATE 192264  
ORIGIN EB-08

INFO OCT-01 EA-09 IO-14 ISO-00 L-03 A-01 ITC-01 STR-04  
TRSE-00 COME-00 CIAE-00 INR-07 NSAE-00 SP-02 /050 R

DRAFTED BY EB/OT/STA:TO'HERRON:JH  
APPROVED BY EB/OT/STA:TO'HERRON  
L/EB:CROH  
A/J:HCOCHRAN  
ITC:HBRANDT  
C:JBOYD/DWEBSTER  
STR:KALLEMAN  
M R :H ANSKY  
TREAS:JSCHOTT  
BO : OBSO

-----023464 131922Z /41

R 130219Z AUG 77  
FM SECSTATE WASHDC  
TO AMEMBASSY TOKYO  
INFO USMISSION GENEVA

UNCLAS STATE 192264

E.O. 11652: N/A

TAGS:ETRD, JA

SUBJECT: CONSENT DECREE IN SECTION ,37 CASE ON IMPORTS  
OF COLOR TV'S FROM JAPAN

1. ON JULY 29, 1977, THE INTERNATIONAL TRADE COMMISSION  
ISSUED A CONSENT ORDER TERMINATING THE CASE WHICH  
GTE SYLVANIA AND PHILCO ELECTROWICS HAD BROUGHT AGAINST  
TWELVE JAPANESE COLOR TELEVISION FIRMS AND U.S. SUB-  
SIDIARIES. THE COMPLAINANTS HAD ACCUSED THE JAPANESE  
FIRMS OF UNFAIR METHODS OF COMPETITION UNDER SECTION 337  
OF THE TARIFF ACT OF 1930 (AS AMENDED BY SECTION 341 OF  
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PAGE 02 STATE 192264

THE TRADE ACT OF 1974). UNDER THE CONSENT ORDER,  
THE JAPANESE FIRMS ADMIT NO PAST OR PRESENT VIOLATION OF  
SECTION 337, BUT UNDEAKE IN THE FUTURE TO REFRAIN FROM  
"PREDATORY PRICING," HIDDEN DISCOUNTS, RESTRICTIONS ON  
COMPETITION, PRICE-FIXING, DIVISION OF MARKETS, AND  
RESTRICTIONS ON SALES. THE U.S. FIRMS AGREE NOT TO PURSUE  
THEIR CASE BASED ON ALLEGATIONS OF PAST JAPANESE

PRACTICES IN THE AREAS.

2. THE ITC WILL MONITOR JAPANESE COMPLIANCE FOR FIVE YEARS BEGINNING JULY 29, 1977. THE JAPANESE FIRMS ARE OBLIGED TO REPORT TO THE ITC ANNUALLY ON UNIT VOLUME OF

COLOR TELEVISION EXPORTS TO THE U.S., WITH BREAKDOWN BY SCREEN SIZE; ON AGGREGATED REVENUES FOR ALL SUCH EXPORTS, WITH BREAKDOWN BY SCREEN SIZE, AND ON ANY SALES OF COLOR TELEVISION SETS AT PRICES WHICH ARE BELOW TOTAL VARIABLE RPT VARIABLE COSTS. THE JAPANESE HAVE AGREED TO ABIDE BY ANY EVENTUAL ITC REQUEST FOR AN AUDIT OF THEIR BOOKS BY INDEPENDENT AUDITORS WHO WOULD PROVIDE SUCH AUDITS TO THE ITC. IN ADDITION, THE ITC ITSELF WILL HAVE ACCESS TO THE BOOKS OF THE JAPANESE FIRMS, BUT MUST KEEP CONFIDENTIAL, SUBJECT TO CERTAIN LEGAL REQUIREMENTS, ANY INFORMATION OBTAINED FROM THESE RECORDS.

3. DURING THE REPORTING PERIOD, THE ITC RETAINS JURISDICTION OVER THE SUBJECT MATTER AND REGARDING THE ENFORCEMENT OF THE ORDER.

4. COPIES OF THE CONSENT ORDER ARE BEING POUCHED TO EMBASSY TOKYO AND MISSION GENEVA. CHRISTOPHER

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## Message Attributes

**Automatic Decaptioning:** X  
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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** IMPORTS, TELEVISION, TRADE COMPLAINTS  
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**Drafter:** TO\HERRON:JH  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Original Previous Classification:** n/a  
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**TAGS:** ETRD, BDIS, JA, US, INTERNATIONAL TRADE COMMISSION  
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**Type:** TE  
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**Review Markings:**  
Margaret P. Grafeld  
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22 May 2009  
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